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STORAGE LEASE

THE PORT OF PORTLAND

AND

WEST COAST PRODUCTIONS, INC.

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STORAGE LEASE

This STORAGE LEASE (this "Lease"), effective the 8th day of August, 1995 ("Effective Date") is between THE PORT OF PORTLAND, a Port district of the State of Oregon (the "Port") and WEST COAST PRODUCTIONS, INC., a corporation organized under the laws of the State of Oregon ("Lessee").

The parties, intending to be legally bound by the terms of this Lease, agree as follows:

SECTION 1 - AGREEMENT TO LEASE

1.1 Agreement to Lease and Description of Property. The Port leases to Lessee and Lessee leases from the Port approximately 3,000 square feet of warehouse space inside of House 106 located at Terminal One, as shown on Exhibit "A", attached hereto (the "Premises").

1.2 Use of Premises.

1.2.1 Permitted Use. Lessee may use the Premises only as storage space for equipment and supplies used in Lessee's production and special events business. Absolutely no other use may be made of the Premises without the prior written consent of the Port.

1.2.2 Limits on Use. Lessee shall not use or permit anyone else to use the Premises, nor shall Lessee permit anything to be done on the Premises, which: (a) adversely affects or is likely to adversely affect the Premises; (b) creates any condition that may be a safety hazard; or (c) creates or tends to create a hazard or a nuisance.

1.3 Full Disclaimer. The warehouse space being leased is not secure, not guarded and is in poor condition. The roof leaks and there is a significant amount of sheet rock dust inside the building. Lessee has thoroughly inspected the Premises and has been informed by the Port of all of the above. Lessee agrees absolutely that it is leasing at its own risk and that the Port shall have no responsibility whatsoever for any loss or damage to any of Lessee's property stored on the Premises. The warehouse is not a suitable place for long term occupancy. Lessee agrees that Lessee's employees and owners shall not work on the Premises and will only come onto the Premises periodically to remove its equipment or supplies from storage or to place equipment or supplies into storage.

SECTION 2 - TERM

2.1 Term. The term of this Lease ("Lease Term") shall commence August 8, 1995 (the "Commencement Date") and shall continue thereafter on a month-to-month basis unless terminated by either party on not less than thirty (30) days written notice, unless sooner terminated pursuant to the terms of this Lease.

SECTION 3 - RENT

3.1 Basic Rent, Additional Rent, and Rent. Lessee shall pay Rent (as hereinafter defined) to the Port as calculated in Section 3.1.1 and as adjusted in Section 3.2.1.

3.1.1 "Basic Rent". "Basic Rent" shall be FOUR HUNDRED AND FIFTY DOLLARS (\$450.00) per month.

3.1.2 "Additional Rent"; "Rent". All other sums which become payable by Lessee to the Port under this Lease shall be considered "Additional Rent". "Rent," as used in this Lease, shall mean Additional Rent and Basic Rent.

3.1.3 Prepayment of Rent. Basic Rent for the first month shall be paid upon execution of this Lease. If the Commencement Date occurs on a day other than the first day of a calendar month, Rent for that partial calendar month shall be prorated based on the number of days remaining in the month and shall also be paid upon the execution of this Lease.

3.2 Rent Payments. Lessee shall pay Rent to the Port in advance on or before the first day of each calendar month.

3.2.1 No Offset. Payment of Rent and other amounts due under this Lease shall be made without offset, abatement or deduction, to the Port at the following address or such other place as the Port may designate:

The Port of Portland
P.O. Box 5095
Portland, Oregon 97208-5095

3.2.2 Delinquency Charge. All Rent and other amounts not paid when due shall bear a delinquency charge of eighteen percent (18%) per annum or the maximum rate of interest allowed by law, whichever is less (the "Delinquency Charge"). Such interest shall be charged from the date due until the Rent and the Delinquency Charge are both paid in full. This Delinquency Charge is subject to periodic change, at the Port's sole discretion. No change shall occur, however, without at least thirty (30) days prior written notice to Lessee. Imposition of a

Delinquency Charge shall not constitute a waiver of any other remedies available to the Port for failure to timely pay Rent.

3.3 Acceptance of Rent. The Port's acceptance of a late or partial payment of Rent and/or a Delinquency Charge shall not constitute a waiver of any Event of Default (as hereinafter defined) nor shall it prevent the Port from exercising any of its other rights and remedies granted to the Port under this Lease or by law. It is hereby agreed that any endorsements or statements on checks of waiver, compromise, payment in full or any other similar restrictive endorsement shall have no legal effect. Lessee shall remain in default and obligated to pay all Rent due even if the Port has accepted a partial or late payment of Rent.

3.4 Taxes. Lessee shall pay all taxes and assessments of any public authority levied against the Premises or upon any taxable interest of Lessee acquired pursuant to this Lease or any taxable possessory right Lessee may have in or to the Premises or the Improvements located thereon, as well as all taxes on all taxable property, real or personal, owned by Lessee in or about the Premises, including any other tax or charge levied wholly or partly in lieu thereof. Lessee shall make all payments on or before the date payment is due (the "Due Date"). To the extent that Lessee qualifies for tax exempt status, Lessee may apply for such exemption. Lessee shall supply the Port with proof that taxes have been timely paid or proof that the exemption has been obtained. Lessee shall be permitted to pay taxes in installments, as allowed by the county. Lessee understands that should this Lease expire prior to the end of any given tax year that Lessee will nonetheless be responsible to pay taxes assessed for the entire tax year (currently the tax year runs from July 1 through June 30). Lessee agrees that, to the extent allowed by law, Multnomah County, Oregon, is intended as a third party beneficiary of Lessee's obligation under this Lease to pay taxes owed by Lessee to Multnomah County, and that Multnomah County may enforce such obligation directly, by an action for a money judgment, without affecting any right or remedy available under this Lease or otherwise.

3.5 Security Deposit. In addition to payments of Basic Rent, Lessee shall deposit with the Port, the amount of NINE HUNDRED DOLLARS (\$900.00) as a security deposit (the "Deposit"). The Deposit shall not earn interest, shall not be considered to be held in trust for Lessee and shall not be considered an advance payment of Rent or a measure of the Port's damages in the event of a default by Lessee, and may be commingled with other funds of the Port. The Port may, but shall not be obligated to, apply all or any part of the Deposit to Rent or other amount not paid by Lessee when due or any amount which the Port may expend or incur by reason of Lessee's failure to perform any obligation under this Lease. If the Port applies all or any part of the

Deposit, Lessee shall, upon demand, immediately replenish the Deposit to its original full amount. If Lessee fully performs all of Lessee's obligations under this Lease, the Deposit, or any balance remaining, shall be returned to Lessee within thirty (30) days after the termination of this Lease and delivery to the Port of possession of the Premises as required by this Lease. In the event of any sale of the Port's interest in the Premises, the Port may transfer the Deposit to the purchaser and the Port shall have no further liability to refund the Deposit. The Deposit shall be proportionately adjusted upward with every adjustment to Basic Rent as provided above. In the event that the Deposit is in a form other than cash, the Deposit shall be made pursuant to a written agreement between Lessee and the Port containing such terms and conditions as are acceptable to the Port. In the event that the Port and Lessee are unable to agree on the terms of such an agreement respecting the Deposit on or before the date such Deposit is due, the Lessee shall deposit cash.

SECTION 4 - LESSEE'S OTHER OBLIGATIONS

4.1 Construction of Improvements. Lessee shall make no alterations or additions to the Premises. Lessee shall, however, be permitted to install security fencing around its property stored on the Premises. The Port encourages the installation of such security fencing because there will be no security provided by the Port for Lessee's property and the leased Premises cannot otherwise be secured. At the termination of this Lease, Lessee shall remove any security fencing it has installed.

4.2 Maintenance.

4.2.1 General. The Premises are taken "AS IS" and the Port has no maintenance responsibilities. The roof is leaking and the Port will not repair it.

4.2.2 Maintenance Standards. Lessee shall regularly and consistently maintain the Premises at all times in a clean, orderly condition.

4.3 No Liens. Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been provided or ordered with Lessee's consent to the Premises. If any lien is filed against the Premises which Lessee wishes to protest, then Lessee shall immediately deposit cash with the Port, or procure a bond acceptable to the Port, in an amount sufficient to cover the cost of removing the lien from the Premises. Failure to remove the lien or furnish the cash or bond acceptable to the Port within ten (10) days shall constitute an Event of Default under this Lease and the Port shall automatically have the right, but not

the obligation, to pay the lien off with no notice to Lessee and Lessee shall immediately reimburse the Port for any sums so paid to remove any such lien. Lessee shall not encumber the Premises or any Improvements thereon without prior written approval of the Port.

4.4 Utilities and Services.

4.4.1 Utilities. So long as the Port's navigation division is also using part of the Building, the Port shall provide electricity and water. Once the navigation division moves out of the Building, Lessee will be responsible for paying for all utilities. There is no heating, ventilating and air conditioning services to the Premises. No space heaters or other heating devices may be installed by Lessee. Unavailability or interruption of services or utilities shall not be deemed an eviction or disturbance of Lessee's use and possession of the Premises, render the Port liable to Lessee for damages, or relieve Lessee from performance of Lessee's obligations under this Lease, including full payment of all Rent due.

4.4.2 Extra Usage. Utility service provided by the Port shall be limited to electricity necessary to provide lighting only for normal storage use.

4.5 Signs. Lessee shall not erect, install, nor permit upon the Premises any sign or other advertising device without first having obtained the Port's written consent, which the Port may withhold in its sole discretion. Lessee shall remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless the Port elects to retain all or any portion of the signage.

4.6 Compliance with Laws.

4.6.1 General. Lessee and Lessee's officers, employees, invitees, agents and contractors shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, including laws governing its relationship with its employees, including but not limited to laws, rules, regulations and policies concerning Workers' Compensation, and minimum and prevailing wage requirements; laws, rules and regulations and policies relative to occupational safety and health; all federal, state, regional and local environmental laws; and ordinances and rules adopted by the Port Commission.

4.7 Fire Safety. Lessee shall exercise due and reasonable care and caution to prevent and control fire on the Premises and to that end shall provide and maintain such fire suppression and other fire protection equipment as may be required pursuant to

applicable governmental laws, ordinances, statutes and codes for the purpose of protecting the Improvements adequately and restricting the spread of any fire from the Premises to any property adjacent to the Premises.

SECTION 5 -- PORT AUTHORITY AND OBLIGATIONS

5.1 Delivery of Property. Lessee shall have the right to possession of the Premises as of the Commencement Date.

5.2 Condition of Property. The Port makes no warranties or representations regarding the condition of the Premises, including, without limitation, the suitability of the Premises for Lessee's intended uses. Lessee has inspected and accepts the Premises in "AS IS" condition upon taking possession. The Port shall have no liability to Lessee, and Lessee shall have no claim against the Port, for any damage or injury caused by the condition of the Premises. The Port shall have no responsibility to bring the Premises into compliance with any laws, including, without limitation, any building or occupancy codes.

5.3 Port Access to Property. The Port shall have the right to enter upon the Premises at any time.

SECTION 6 - ENVIRONMENTAL OBLIGATIONS OF LESSEE

6.1 Definitions. As used in this Lease, the following terms shall be defined as follows:

6.1.1 "Environmental Laws". "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state and local statutes, regulations, rules and ordinances now or hereafter in effect, as the same may be amended from time to time, which in any way govern materials, substances, or products and/or relate to the protection of health, safety or the environment.

6.1.2 "Hazardous Substances". "Hazardous Substances" shall be interpreted in the broadest sense to include any substance, material or product defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or any other similar term in or under any Environmental Laws.

6.1.3 "Environmental Costs". "Environmental Costs" shall be interpreted in the broadest sense to include, but shall not necessarily be limited to: (i) costs or expenses relating to any actual or claimed violation of or noncompliance with any Environmental Law; (ii) all claims of third parties, including governmental agencies, for damages, response costs or other relief; (iii) the cost, expense or loss to the Port as a result of any injunctive relief, including preliminary or temporary

injunctive relief, applicable to the Port or the Premises; (iv) all expenses of evaluation, testing, analysis, clean-up, remediation, removal and disposal relating to Hazardous Substances, including fees of attorneys, engineers, consultants, paralegals and experts; (v) all expenses of reporting the existence of Hazardous Substances or the violation of Environmental Laws to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (vi) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying, telephone and telefax charges and other expenses; and (vii) any damages, costs, fines, liabilities and expenses which are claimed to be owed by any federal, state or local regulating or administrative agency.

6.2 ~~Use of Hazardous Substances.~~ No handling, storage, generation, creation, disposal, transportation or discharge of any Hazardous Substances shall be permitted on, about or from the Premises.

6.3 ~~Environmental Inspection.~~ The Port reserves the right to inspect for Hazardous Substances and/or Lessee's management of Hazardous Substances on the Premises at any time, and from time to time, without notice to Lessee. If the Port, at any time during the term of this Lease or any extension thereof, has reason to believe that Lessee is handling Hazardous Substances contrary to the requirements of this Lease, in violation of this Lease or in any manner that may allow contamination of the Premises, the Port may, without limiting its other rights and remedies, require Lessee to furnish to the Port, at Lessee's sole expense, an environmental audit or environmental assessment with respect to the matters of concern to the Port. The Port shall have the right to approve the company or individual conducting such audit and the audit procedures. The Port shall be given an original copy of the audit results. Lessee shall cooperate with all such requests. If the audit or assessment reveals that no contamination has occurred and no violation of any Environmental Laws has occurred, then the Port shall reimburse Lessee the cost of the audit or assessment.

6.4 ~~Safety.~~ Pursuant to the terms of this Lease, Lessee must comply with all applicable state, federal and local laws and ordinances. As a part of that requirement, Lessee shall maintain Material Safety Data Sheets for each and every Hazardous Substance used by Lessee, Lessee's agents, employees, contractors, licensees or invitees on the Premises, as required under the Hazard Communication Standard in 29 CFR §1910.1200, as it may be amended, redesignated or retitled from time to time,

and comparable state and local statutes and regulations. In order to ensure that such information is available to the Port in the event of a spill or other emergency, all such information shall be kept current at all times and a copy of all such materials shall be kept in a place known to and easily accessible to the Port.

6.5 Disposal of Hazardous Substances. Except as allowed by state and/or federal discharge permit approved by the Port, Lessee shall not dispose of any Hazardous Substance, regardless of the quantity or concentration, within the storm and/or sanitary sewer drains and plumbing facilities within the Premises, or other property of the Port.

6.6 Notice to Port. Lessee shall immediately notify the Port upon becoming aware of a violation or alleged violation of any Environmental Law and/or: (1) any leak, spill, release or disposal of a Hazardous Substance on, under or adjacent to the Premises or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to Lessee or any other person relating to such Hazardous Substances on, under or adjacent to the Premises or any violation or alleged violation of any Environmental Laws with respect to the Premises.

6.7 Environmental Remediation. In the event of a leak, spill or release of a Hazardous Substance, or any other substance in violation of Environmental Laws on the Premises, if caused directly or indirectly by Lessee (or on adjacent properties or in any Common Areas, if caused directly or indirectly by Lessee), or the threat of or reasonable suspicion of the same, Lessee shall immediately undertake all acts necessary or appropriate to contain, clean-up and remove the Hazardous Substance. Lessee shall also undertake, within a reasonable time, all investigatory, remedial and/or removal actions necessary or appropriate to ensure that any contamination by the Hazardous Substance is eliminated and any violation of any Environmental Law is stopped. The Port shall have the right to approve all investigatory, remedial and removal procedures and the company(ies) and/or individuals conducting such procedures. Within thirty (30) days following completion of such investigatory, remedial and/or removal action, Lessee shall provide the Port with a report outlining in detail what has been done by Lessee to cure any such problems. Promptly upon written notice from the Port or from any governmental entity, Lessee shall remove from the Premises (including, without limitation, the soil and surface and ground water thereof), at Lessee's own cost and expense, all Hazardous Substances which have been released on, in, under or about the Premises, during the term of this Lease or any prior lease held by Lessee if caused directly or indirectly by Lessee and shall restore the Premises to its

pre-contamination condition, in conformance with all applicable governmental laws, rules and regulations. Any Environmental Costs incurred by or assessed against the Port shall be promptly paid by Lessee after the Port incurs the obligation to pay such Costs or determines that an Environmental Cost is owing and the Port so notifies Lessee. If a spill or contamination is discovered by Lessee but is not on the Premises and/or is not the responsibility of Lessee under this Lease, Lessee shall still immediately notify the Port of any problem or possible problem.

6.8 Environmental Contamination Caused by Port or Other Port Invitees. Lessee shall not be responsible for any environmental contamination or violation of Environmental Law caused by the Port.

6.9 Exit Audit and Remediation. At or in contemplation of the expiration or termination of this Lease, if the Port believes that Lessee has used or handled Hazardous Substances on the Premises in violation of this Lease, then the Port may require Lessee, at Lessee's sole cost and expense, to conduct an exit environmental audit (the "Exit Audit") of the Premises to determine whether there are any Hazardous Substances on or within the Premises. The Port shall have the right to approve the Exit Audit procedures and the company or individual conducting the audit. The Port shall be given a certified copy of the audit results. Lessee shall provide to the Port a supplemental update report as of the last day of the Lease Term. Lessee shall promptly remedy any contamination revealed by such audit for which Lessee is responsible under the terms of this Lease. Such remediation shall be performed in accordance with then applicable Environmental Laws prior to the expiration of the Lease Term. In the event Lessee fails to promptly remedy the contamination, the Port shall have the right to remedy such contamination and charge Lessee all resulting Environmental Costs. The Port shall give Lessee seven (7) days prior written notice of its intention to do the clean-up. Lessee agrees to pay to the Port such Environmental Costs incurred by the Port, together with interest at the legal rate of interest from the date the expense is incurred by the Port until the date paid, within thirty (30) days after receipt of invoice from the Port, such right to be in addition to any other remedy available to the Port under this Lease, at law, or by equity. In the event this Lease terminates unexpectedly for any reason, Lessee shall cause the Exit Audit to be completed, in a manner acceptable to the Port as described above, within thirty (30) days of the actual termination of this Lease. Until such time as Lessee has fulfilled all the requirements of this Exit Audit, the Port may, at the Port's option, treat Lessee as a holdover tenant and all provisions of Section 9 shall apply. Without limiting the generality of any other provision of this Lease, if Lessee does not conduct the Exit Audit, if one is required by the Port, the Port may, at its

sole option, and without further notice to Lessee, complete such audit and bill Lessee for all costs of conducting the audit, together with interest at the legal rate of interest from the date the expense is incurred by the Port until the date paid.

SECTION 7 - INDEMNITY, INSURANCE

7.1 General Indemnity. From and after the Commencement Date of this Lease, Lessee agrees to defend (using legal counsel acceptable to the Port), indemnify, and hold harmless the Port from and against any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, and/or penalties (collectively "Costs") which may be imposed upon or claimed against the Port and which, in whole or in part, directly or indirectly, arise from or are in any way connected with: (a) any act, omission or negligence of Lessee or Lessee's partners, officers, directors, agents, employees, invitees or contractors; (b) any use, occupation, management or control of the Premises by Lessee, whether or not due to Lessee's own act or omission and whether or not occurring on the Premises; (c) any condition created in or about the Premises by any party, other than the Port or an agent of the Port, including any accident, injury or damage occurring on or about the Premises after the Commencement Date; (d) any breach, violation or nonperformance of any of Lessee's obligations under this Lease; (e) any damage caused by Lessee on or to the Premises.

7.2 Environmental Indemnity. Without in any way limiting the generality of the foregoing Section 7.1 concerning General Indemnity, Lessee shall be solely responsible for and agrees to defend (using legal counsel acceptable to the Port), indemnify and hold harmless the Port from and against all Environmental Costs claimed against or assessed against the Port arising, in whole or in part, directly or indirectly, from acts or omissions of any person or entity at or about the Premises after the Commencement Date of this Lease or earlier if caused by Lessee or Lessee's agents or invitees. This indemnification shall require Lessee to reimburse the Port for any diminution in value of the Premises or other adjacent or nearby Port property, caused by Hazardous Substances, including damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, or any other Port property, including damages arising from any adverse impact on marketing of space in or near the Premises, including other Port property. Lessee's obligations shall not apply if the Hazardous Substances were deposited on the Premises by the Port or the Port's agents. Lessee shall be solely responsible to assure that no person brings any Hazardous Substances onto the Premises. Notwithstanding the foregoing, Lessee shall not be responsible for, and does not indemnify the Port for, any actions of the Port

that cause environmental damage or a violation of any Environmental Law on the Premises.

7.3 Insurance Requirements. Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage the Port is willing to accept to help insure full performance of all terms and conditions of this Lease. All insurance required by Lessee under this Lease shall meet the following minimum requirements:

7.3.1 Certificates; Notice of Cancellation. On or before the Commencement Date, Lessee shall provide the Port with certificates of insurance establishing the existence of all insurance policies required under this Section. Thereafter, the Port must receive notice of the expiration or renewal of any policy at least thirty (30) days prior to the expiration or cancellation of any insurance policy. No insurance policy may be canceled, revised, terminated or allowed to lapse without at least thirty (30) days prior written notice being given to the Port. Insurance must be maintained without any lapse in coverage during the Term of this Lease. Insurance canceled without Port consent shall be deemed an immediate Event of Default under this Lease. The Port shall also be given certified copies of Lessee's policies of insurance, upon request.

7.3.2 Additional Insured. The Port shall be named as an additional insured in each required policy and, for purposes of damage to the Premises, as a loss payee. Such insurance shall not be invalidated by any act, neglect or breach of contract by Lessee.

7.3.3 Primary Coverage. The required policies shall provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance carried by the Port.

7.3.4 Company Ratings. All policies of insurance must be written by companies having an A.M. Best rating of "A" or better, or equivalent. The Port may, upon thirty (30) days written notice to Lessee, require Lessee to change any carrier whose rating drops below an A rating.

7.4 Required Insurance.

At all times during this Lease, Lessee shall provide and maintain the following types of coverage:

7.4.1 General Liability Insurance. Lessee shall maintain an occurrence form commercial general liability policy (including coverage for broad form contractual liability) for the

protection of Lessee and the Port, insuring Lessee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations of Lessee. Such coverage shall name the Port as an additional insured. Coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

7.4.2 Property Insurance. Lessee is responsible to insure all of Lessee's own personal property and trade fixtures, which items shall not be covered by Port insurance. Furthermore, Lessee must at all times carry Fire Legal Liability insurance coverage in an amount not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000).

7.4.3 Automobile Liability Insurance. Lessee shall maintain an occurrence form automobile liability policy insuring Lessee and the Port against liability for damage because of bodily injury, death, or damage to property, including loss of use thereof, and occurring in any way related to the use, loading or unloading of Lessee's owned, hired and non-owned vehicles on and around the Premises. Such insurance shall name the Port as an additional insured. Coverage shall be in an amount if not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence.

7.4.4 Workers' Compensation Insurance. Lessee shall maintain in force Workers' Compensation insurance for all of Lessee's employees, including coverage for Employer's Liability, and, if applicable, Longshore and Harbor Workers' Compensation Act. In lieu of such insurance, Lessee may maintain a self-insurance program meeting the requirements of the State of Oregon and a policy of Excess Workers' Compensation with a limit of at least ONE MILLION DOLLARS (\$1,000,000) per accident above the self-insured retention.

7.5 Waiver of Subrogation. Except as limited by this Section, the parties hereto waive any right of action that they and/or their insurance carriers might have against the other for loss or damage, to the extent that such loss or damage is covered by any All-Risk property insurance policy or policies and to the extent that proceeds (which proceeds are free and clear of any interest of third parties) are received by the party claiming the loss or damages. This waiver of subrogation shall not extend to any applicable deductibles under such policy or policies.

7.6 Periodic Review. The Port shall have the right to periodically review the types, limits and terms of insurance coverage. In the event the Port determines that such types,

limits, and/or terms should be changed, the Port will give Lessee a minimum of thirty (30) days notice of such determination and Lessee shall modify its coverage to comply with the new insurance requirements of the Port. Lessee shall also provide the Port with proof of such compliance by giving the Port an updated certificate of insurance within fifteen (15) days.

SECTION 8 - DAMAGE OR DESTRUCTION

8.1 General. In the event the Building is partially or completely destroyed, the Port shall be under no obligation to repair and reconstruct the Building, and the Port may terminate this Lease.

SECTION 9 - TERMINATION

9.1 Duties on Termination. Upon termination of the Lease for any reason, Lessee shall deliver all keys to the Port and surrender the Premises good clean condition. Lessee must promptly remove all of its property and any security fencing or devices and then repair any damage to the Premises. All repair for which Lessee is responsible shall be completed prior to termination and surrender.

9.2 Lessee's Personal Property. Title to any items of Lessee's personal property which remain on the Premises after the termination date of this Lease may, at the option of the Port, be automatically taken by the Port, and the Port shall have the option, in its sole discretion, of: (a) retaining any or all of such trade fixtures and other personal property without any requirement to account to Lessee therefor, or (b) removing and disposing of any or all of such trade fixtures and other personal property and recovering the cost thereof, plus interest from the date of expenditure at the Port's then current interest rate, from Lessee upon demand.

9.3 Holding Over. If Lessee holds over after this Lease expires or terminates, Lessee shall be deemed a month-to-month holdover tenant or a tenant at sufferance, at the Port's sole discretion. In the event that this Lease has expired or is otherwise terminated and Lessee holds over after written notice from the Port that Lessee must vacate the Premises, Basic Rent shall be 150% of the amount otherwise determined under Section 3.2. In the event the Port deems Lessee as a tenant at sufferance, the Port shall be entitled to evict Lessee but the Port may still collect a charge for use of the Premises at the rate stated above.

SECTION 10 - DEFAULT

10.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

10.1.1 Default in Rent. Failure of Lessee to pay any Rent or other amount payable to the Port or to others as provided in this Lease within ten (10) days of the date such payment is due. No notice by the Port that Rent or such other amount is past due shall be required.

10.1.2 Default in Other Covenants. Failure of Lessee to comply with any term, covenant or condition of this Lease (other than the payment of Rent or other amounts) within thirty (30) days after written notice by the Port describing the nature of the default. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if Lessee begins correction of the default within the thirty (30)-day period and thereafter proceeds in good faith and with reasonable diligence to effect the cure as soon as practical, so long as done to the satisfaction of the Port. Notwithstanding the foregoing, the Port need not give notice for a default of any given Section of this Lease more than twice during the Lease Term, and a failure to perform such type of obligation after the second notice constitutes an Event of Default for which no further notice or opportunity to cure need be given. Furthermore, if any Event of Default threatens to cause serious harm to the Port or other tenants or persons, then the Port shall not be required to serve any notice before proceeding to request immediate injunctive relief.

10.1.3 Insolvency. To the extent permitted by the United States Bankruptcy Code, insolvency of Lessee shall be deemed to include an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee and the receiver is not discharged within thirty (30) days; the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days, shall all constitute an Event of Default hereunder. In these instances, no notice that an Event of Default has occurred shall be required from the Port.

10.2 Remedies on Default. Upon the occurrence of an Event of Default, the Port at its option may terminate the Lease or terminate Lessee's right to possession of the Premises and at any

time may exercise any other remedies available under law or equity for such Event of Default. Any notice to terminate may be given before or within the grace period for default and may be included in a notice of failure of compliance. Without limiting the foregoing, upon the occurrence of an Event of Default, the Port may exercise any or all of the following remedies:

10.2.1 Re-entry. The Port may re-enter the Premises, or any part thereof, by suitable action or proceeding at law, or by force or otherwise, without being liable for indictment, prosecution or damages therefor, and may repossess the Premises and remove any person or property therefrom, to the end that the Port may have, hold and enjoy the Premises.

10.2.2 Rent Recovery. Whether or not the Port retakes possession of the Premises, the Port shall have the right to recover unpaid Rents and all damages caused by the default. Damages shall include, without limitation: all Rents lost; all legal expenses and other related costs incurred by the Port as a result of Lessee's default; that portion of any leasing commission paid by the Port as a result of this Lease which can be attributed to the unexpired portion of this Lease; all costs incurred by the Port in restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting; and all costs incurred by the Port in reletting the Premises, including, without limitation, any brokerage commissions and the value of the Port's staff time expended as a result of the default.

10.3 Remedies Cumulative and Nonexclusive. Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease or existing at law or in equity, including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by the Port of any such rights or remedies will not preclude the simultaneous or later exercise by the Port of any other such rights or remedies. All such rights and remedies are nonexclusive.

10.4 Termination. Even though Lessee has breached this Lease, this Lease shall continue for so long as the Port does not terminate Lessee's right to possession, and the Port may enforce all of its rights and remedies under this Lease, including the right to recover the Rents as they become due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of the Port to protect the Port's interest under this Lease shall not constitute a termination of Lessee's rights to possession unless written notice of termination is given by the Port to Lessee. Any notice to terminate may be given before or within the cure period for default and may be included in a notice of failure of

compliance. No such termination shall prejudice the Port's right to claims for damages for such breach or any other rights and remedies of the Port.

10.5 Curing Lessee's Defaults. If Lessee shall default in the performance of any of Lessee's obligations under this Lease, the Port, without waiving such default, may (but shall not be obligated to) perform the same for the account of and at the expense of Lessee, without notice in a case of emergency, and in any other cases, only if such default continues after the expiration of thirty (30) days from the date the Port gives Lessee notice of the default. The Port shall not be liable to Lessee for any claim for damages resulting from such action by the Port. Lessee agrees to reimburse the Port upon demand, as Additional Rent, any amounts the Port may spend in complying with the terms of this Lease on behalf of Lessee. The Port shall have the same rights and remedies in the event of the nonpayment of sums due to be reimbursed under this Section as in the case of default by Lessee in the payment of any other Rent. Any sums to be so reimbursed shall bear interest at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less.

10.6 Default by Port. In the event of any default by the Port, Lessee's exclusive remedy shall be an action for damages. Prior to being entitled to maintain any such action, Lessee shall give the Port written notice specifying such default with particularity, and the Port shall have thirty (30) days within which to cure any such default, or if such default cannot reasonably be cured within thirty (30) days, the Port shall then have thirty (30) days to commence cure and shall diligently prosecute cure to completion. Unless and until the Port fails to so cure such default after such notice, Lessee shall not have any remedy or cause of action by reason thereof. All obligations of the Port hereunder shall be construed as covenants, not conditions, and all such obligations shall be binding upon the Port only during the period of its ownership of the Premises and not thereafter, subject to Section 11.3 below.

SECTION 11 - ASSIGNMENT, SUBLEASE, MORTGAGE AND TRANSFER

11.1 General Prohibition. This Lease is personal to Lessee. Therefore, unless otherwise provided in this Lease, no part of the Premises, nor any interest in this Lease, may be assigned, pledged, transferred, mortgaged, or subleased by Lessee, nor may a right of use of any portion of the Premises be conveyed or conferred on any third party by Lessee by any other means.

SECTION 12 - GENERAL PROVISIONS

12.1 Covenants, Conditions, and Restrictions. This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, mortgages, deeds of trust, ground leases, rights of way, and any other matters of record now or hereafter imposed upon the Premises and to any applicable land use or zoning laws or regulations. Lessee shall, upon request of the Port, execute and deliver agreements of subordination in the form requested by the Port.

12.2 Governing Law. This Lease shall be governed and construed according to the laws of the State of Oregon.

12.3 No Benefit to Third Parties. The Port and Lessee are the only parties to this Lease and as such are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

12.4 Port Consent. Wherever this Agreement requires the Port's consent or approval, such consent or approval may be given by the Port's Commission, the Executive Director of the Port or the Executive Director's designee. If Lessee requests the Port's consent or approval pursuant to any provision of the Lease and the Port fails or refuses to give such consent, Lessee shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable. Lessee's sole remedy shall be an action for specific performance or injunction, and such remedy shall be available only if the Port has expressly agreed, in writing, not to act unreasonably in withholding its consent or may not unreasonably withhold its consent as a matter of law and the Port has, in fact, acted unreasonably in either of those instances.

12.5 No Implied Warranty. In no event shall any consent, approval, acquiescence, or authorization by the Port be deemed a warranty, representation, or covenant by the Port that the matter approved, consented to, acquiesced in or authorized is appropriate, suitable, practical, safe or in compliance with any applicable law or this Lease. In no event shall the Port be deemed liable therefor. Lessee shall be solely responsible for such matters.

12.6 Notices. All notices required or desired to be given under this Lease shall be in writing and may be delivered by hand delivery or by placement in the U.S. mail, postage prepaid, as certified mail, return receipt requested, addressed to the Port at:

The Port of Portland
P.O. Box 3529
Portland, Oregon 97208-3529
Attn.: Manager, Property and Development

with a copy to:

The Port of Portland
P.O. Box 3529
Portland, Oregon 97208-3529
Attn.: Legal Department

and to Lessee at:

West Coast Productions, Inc.
1400 NW 15th Avenue
Portland, OR 97209

Any notice delivered by hand delivery shall be conclusively deemed received by the addressee upon actual delivery; any notice delivered by mail as set forth in this Lease shall be conclusively deemed received by the addressee on the third business day after deposit. The addresses to which notices are to be delivered may be changed by giving notice of such change in accordance with this notice provision.

12.7 Time of the Essence. Time is of the essence in the performance of and adherence to each and every covenant and condition of this Lease.

12.8 Nonwaiver. Waiver by the Port of strict performance of any provision of this Lease shall not be deemed a waiver of or prejudice the Port's right to require strict performance of the same provision in the future or of any other provision.

12.9 Survival. Any covenant or condition (including, but not limited to, indemnification agreements), set forth in this Lease, the full performance of which is not specifically required prior to the expiration or earlier termination of this Lease, and any covenant or condition which by their terms are to survive, shall survive the expiration or earlier termination of this Lease and shall remain fully enforceable thereafter.

12.10 Partial Invalidity. If any provision of this Lease is held to be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision

of this Lease shall be valid and enforceable to the fullest extent permitted by law.

12.11 No Light or Air Easement. The reduction or elimination of Lessee's light, air, or view will not affect Lessee's obligations under this Lease, nor will it create any liability of the Port to Lessee.

12.12 Lease Subject to Bonds and Ordinances. This Lease shall be subject and subordinate to the bonds and ordinances which create liens and encumbrances as are now on the land which constitutes the Premises. Lessee agrees that the Port may hereafter adopt such bond ordinances which impose liens or encumbrances on said land and the Port's interest in the leasehold, and that Lessee shall, upon request of the Port, execute and deliver agreements of subordination consistent herewith.

12.13 Lease Subject to Nondiscrimination. Lessee assures that Lessee will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E (as it may be amended, renamed, revised or expanded from time to time), to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that Lessee's covered suborganizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations to the same effect.

12.14 Lease and Public Contract Laws. To the extent applicable, the contract provisions required by ORS Chapter 279 to be included in public contracts are hereby incorporated by reference and shall become a part of this Lease as if fully set forth in this Lease and shall control in the event of conflict with any provision of this Lease.

12.15 Limitation on Port Liability. The Port shall have no liability to Lessee for loss or damage suffered by Lessee on account of theft or any act of a third party including other tenants. The Port shall only be liable for its wilful misconduct or gross negligence and then only to the extent of actual and not consequential damages. The Port shall not be liable for the consequence of admitting by passkey or refusing to admit to the Premises Lessee or any of the Lessee's agents or employees or other persons claiming the right of admittance.

12.16 Headings. The article and section headings contained in this Lease are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease.

12.17 Exhibits Incorporated by Reference. All Exhibits attached to this Lease are incorporated by reference in this Lease for all purposes.

12.18 Modification. This Lease may not be modified except by a writing signed by the parties hereto.

12.19 Brokers. Lessee and the Port each represent to one another that they have not dealt with any leasing agent or broker in connection with this Lease and each (for purposes of this Section 12.23 only, the "Indemnitor") agrees to indemnify and hold harmless the other from and against all damages, costs, and expenses (including attorneys', accountants', and paralegal fees) arising in connection with any claim of an agent or broker alleging to have been retained by the Indemnitor in connection with this Lease.

12.20 Attorney Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code), is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law. If the Port is required to seek legal assistance to enforce any term of this Lease, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review. Whenever this Lease requires Lessee to defend the Port, it is agreed that such defense shall be by legal counsel acceptable to the Port.

12.21 Entire Agreement. This Lease represents the entire agreement between the Port and Lessee relating to Lessee's leasing of the Premises and shall supersede all previous communications, representations, or agreements, whether verbal or written between the parties hereto with respect to such leasing. It is understood and agreed by Lessee that neither the Port nor the Port's agents or employees have made any representations or promises with respect to this Lease or the making or entry into this Lease, except as in this Lease expressly set forth, and that no claim or liability or cause for termination shall be asserted by Lessee against the Port for, and the Port shall not be liable by reason of, the claimed breach of any representations or promises not expressly stated in this Lease, any other oral agreement with the Port being expressly waived by Lessee.

12.22 Successors. The rights, liabilities and remedies provided for in this Lease shall extend to the heirs, legal representatives, successors and, so far as the terms of this Lease permit, successors and assigns of the parties hereto. The words "Port" and "Lessee" and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms, or corporations which may be or become such parties hereto.

12.23 Execution of Multiple Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one instrument.

12.24 Defined Terms. Capitalized terms shall have the meanings given them in the text of this Lease.

12.25 No Limit on Port's Powers. Nothing in this Lease shall limit, in any way, the power and right of the Port to exercise its governmental rights and powers, including its powers of eminent domain.

IN WITNESS HEREOF, the parties have subscribed their names hereto effective as of the year and date first written above.

LESSEE:

THE PORT:

West Coast Productions, Inc.

THE PORT OF PORTLAND

By: Quane Smith

By: Robert Thomas
Executive Director

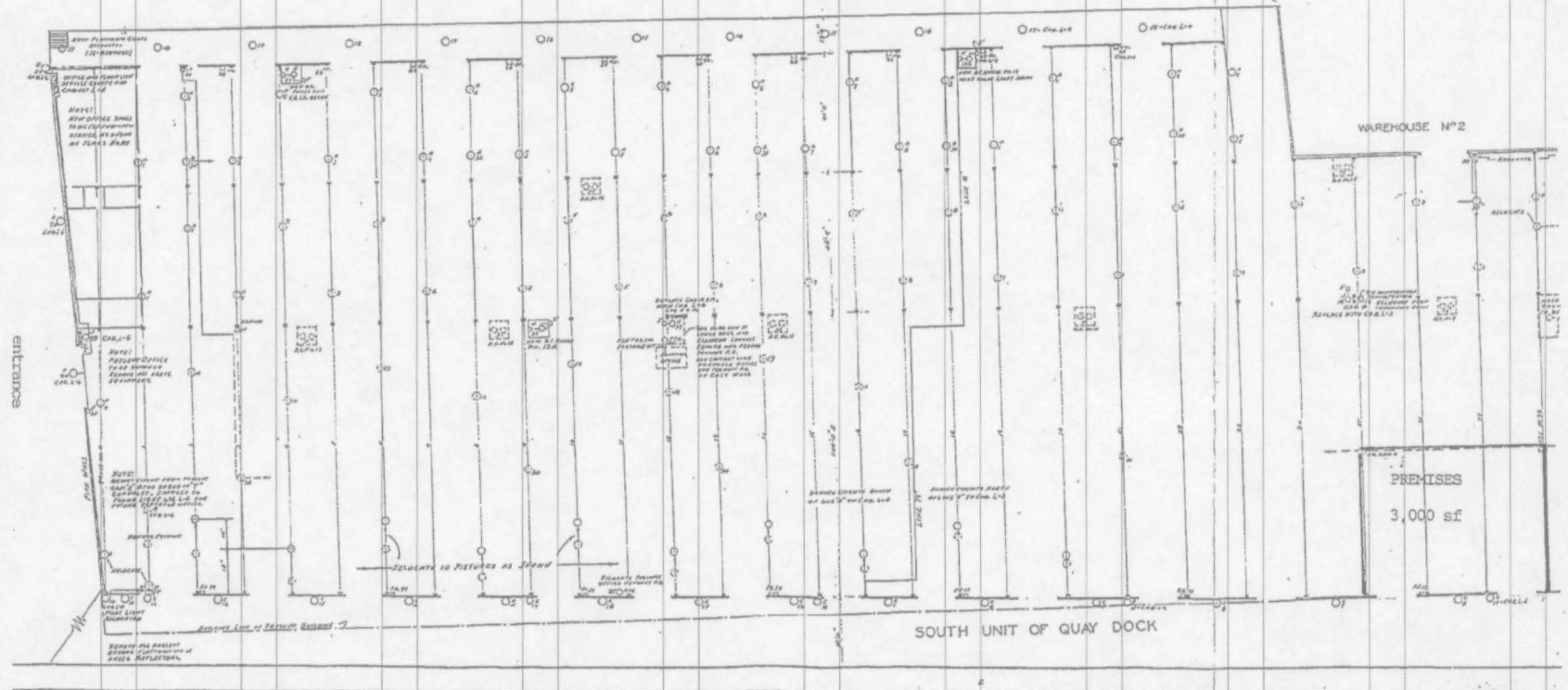
Title: PRESIDENT

Printed Name: DUANE SMITH

APPROVED FOR LEGAL SUFFICIENCY

Baba Javitz
Legal Counsel for The Port of
Portland

HOUSE 106 2050 NW Front Avenue



WAREHOUSE N°2

PREMISES

3,000 sf

SOUTH UNIT OF QUAY DOCK

Willamette River

Exhibit A